



CC96-128
GE Capital

GE Capital Commercial Direct
6540 Powers Ferry Road, Suite 100
Atlanta, GA 30339
770 644-7600, Fax: 770 952-2473

-CC MAIL ROOM

February 18, 1997

FEB 19 1997

BY TELEFAX AND FEDERAL EXPRESS

RECEIVED

Regina Keeney, Bureau Chief
Common Carrier Bureau
Federal Communications Commission
1919 M. Street, N.W.
Room 500
Washington, DC 20554

DOCKET FILE COPY ORIGINAL

RE: Request of GE Capital Communication Services Corporation
("GECCS") for Correction or Modification of Payphone
Compensation Obligation

Dear Ms. Keeney:

This informal request for relief is submitted to you on behalf of GE Capital Communication Services Corporation ("GECCS"), pursuant to Section 1.41 of the Federal Communications Commission's (the "Commission's") rules, 47 U.S.C. §1.41. GECCS respectfully requests that the Bureau expeditiously issue a public notice correcting or modifying GECCS's payphone compensation obligation, in the manner and for the reasons set forth in this letter.

In its Report and Order in Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128, FCC 96-388, rel'd Sept. 20, 1996 ("Report and Order"), on reconsideration, FCC 96-439, rel'd Nov. 8, 1996 ("Reconsideration Order"), the Commission adopted an interim flat-rate payphone compensation

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structure. Under this structure, for one year following the effective date of the new rules, payphone service providers ("PSPs") would be compensated for the use of their payphones to make dial-around and 800 subscriber calls in the amount of \$45.85 per month per telephone, to be paid by IXC's, but specifically excluding "small [IXC's] with annual toll revenues under \$100 million"

(Reconsideration Order at para. 126). Revised Section 64.1301(b) of the Commission's rules provides that the IXC's earning in excess of \$100 million in annual toll revenues are "as reported in the FCC staff report entitled 'Long Distance Market Shares.'"

GECCS's toll revenues for calendar year 1996 were less than \$100 million -- approximately \$89 million, to be specific. GECCS reported these revenues to the Industry Analysis Division by letter dated January 30, 1997 (see Attachment A hereto). However, both Appendix F to the Report and Order (as revised by "Further Errata" released October 8, 1996), and the most recent staff market share report, while titled "Long Distance Market Shares: Third Quarter, 1996," and released by the staff in January 1997, contain annual revenue data based on calendar 1995, and accordingly reflect GECCS as having revenues in excess of \$100 million.

GECCS requests that the Bureau issue a prompt public notice retroactively correcting or modifying GECCS's payphone compensation

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obligation under the Report and Order and Reconsideration Order, by recognizing that GECCS does not now have, and has not in more than a year had, annual toll revenues greater than \$100 million. GECCS makes this request pursuant to the express provisions of Section 64.1301(c) of the Commission's rules (which for the interim period was not amended by the Report and Order).

This Section provides as follows (emphasis added):

Compensation obligations shall be adjusted periodically if the operational status of any eligible IXC changes or in accordance with revised toll revenue data. In either such event, the Common Carrier Bureau shall issue a public notice showing the revised compensation obligations.

In addition, at paragraph 126 of the Reconsideration Order, the Commission repeated: "We delegate authority to the Chief, Common Carrier Bureau, to make any necessary adjustments to the list of compensation-payors for the interim flat-rate compensation period." Because GECCS earned less than \$100 million of toll revenues during all of 1996, GECCS asks that the public notice correct its status retroactive to the beginning of the interim flat-rate compensation period.

GECCS's compensation obligation absent such an adjustment would be approximately 8.19 cents per payphone per month. With approximately 350,000 non-LEC payphones, this amounts to some \$29,000 per month in required compensation; once the 1.5 million LEC payphones are included, the total

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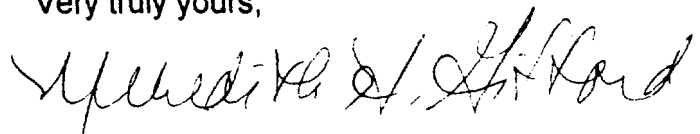
monthly obligation will rise to some \$150,000. See Report and Order at para. 9. Thus, GECCS stands to lose between several hundred thousand and over a million dollars (depending on the timing of the eligibility of LEC payphones for compensation) unless its status is promptly corrected.

For these reasons, GECCS urgently requests that the Bureau expeditiously issue a public notice correctly reflecting that GECCS has annual toll revenues of less than \$100 million and accordingly is not required to pay compensation under the Commission's interim flat-rate scheme.

Because of the urgent nature of this request, I am sending it to you by telefax. I will file an original and four (4) copies with the Secretary of the Commission tomorrow.

If you have any questions regarding the above, please contact me at 770-644-7774.

Very truly yours,



Meredith H. Gifford
Assistant Vice President,
Regulatory Affairs

Attachment

cc: Secretary, Federal Communications Commission

GE Capital Commercial Direct
6540 Powers Ferry Road, Suite 100
Atlanta, GA 30339
770 644-7600, Fax: 770 952-2473

January 30, 1997

BY FEDERAL EXPRESS

Ms. Katie Rangos
Federal Communications Commission
Common Carrier Bureau, Industry Analysis Division
2033 M Street, N.W.
Room 500
Washington, DC 20554

RE: GE Capital Communication Services Corporation

Dear Ms. Rangos:

This letter is to satisfy the annual reporting requirement for 1996 for interexchange carriers.

For the calendar year 1996, GE Capital Communication Services Corporation had operating revenues of \$89,382,800.00 (see Summary enclosed). GE Capital Communication Services Corporation is a telecommunications reseller, therefore there is no plant to report.

GE Capital Communication Services Corporation does not submit a Form 10-K to the Securities and Exchange Commission and does not prepare an annual report to shareholders. Some time in February, however, the 1996 Form 10-K for the General Electric Company, which is GE Capital Communication Services Corporation's ultimate parent, will be available. I will forward two copies of that report on to you when it becomes available.

If you have any questions, please feel free to call me at 770-644-7774.

Very truly yours,



Meredith H. Gifford
AVP, Regulatory Affairs

Enclosure

cc: Victor A. Allums, General Counsel
John Mills, Controller

Summary of Operations
Current Period: DEC 96

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Page: 1

currency: USD
BS Legal Entity=555 (GECCS)

	CURRENT MONTH			YEAR-TO-DATE		
	ACTUAL	SI ESTIMATE	VARIANCE	ACTUAL	SI ESTIMATE	VARIANCE
Sales	53,824.1	9,399.5	44,424.6	90,555.8	78,913.4	11,642.4
Counts/Adjustments	(173.8)	(1,330.5)	1,156.7	(1,764.9)	(11,307.8)	9,542.9
Sales	53,650.4	8,069.0	45,581.4	88,790.9	67,605.7	21,185.3
% of Sales	46,473.7	4,957.3	41,516.3	70,782.6	43,251.9	27,530.8
Assessment	0.0	0.0	0.0	0.0	0.0	0.0
Margin	7,176.7	3,111.7	4,065.0	18,008.3	24,353.8	(6,345.5)
er Income/Adjustments	(1,261.7)	1,007.3	(2,269.0)	(591.9)	2,090.2	(1,498.4)
Other Income & Margin	5,915.0	4,118.9	1,796.1	18,600.1	26,444.0	(7,843.9)
% of Equity	0.0	0.0	0.0	0.0	0.0	0.0
Interest Expense	14,257.4	0.0	14,257.4	14,257.4	0.0	14,257.4
Contributed Value	(8,342.4)	4,118.9	(12,461.4)	4,342.7	26,444.0	(22,101.3)
Employee-Related Costs	128.8	71.8	57.0	2,297.2	1,854.0	443.2
Commission Expense	377.2	398.9	(21.6)	9,938.8	8,602.6	1,336.3
Variable Billing Expense	67.0	235.0	(168.0)	1,220.8	2,035.0	(814.2)
Utilities	(537.2)	254.7	(791.9)	2,124.5	3,009.1	(884.6)
Charged Services	212.2	155.1	57.1	1,252.5	1,698.7	(446.2)
Other	1,639.9	84.9	1,555.0	2,443.9	1,060.7	1,383.1
Operating Expenses	1,887.9	1,200.3	687.6	19,277.8	18,260.1	1,017.7
Operating Margin	(10,230.3)	2,918.7	(13,149.0)	(14,935.1)	8,183.9	(23,119.0)
Provision for Losses	3,436.1	159.4	3,276.7	5,796.8	1,308.0	4,488.8
Net Write-Offs	0.0	0.0	0.0	0.0	0.0	0.0
Gross Write-Offs	0.0	0.0	0.0	0.0	0.0	0.0
Income Before Tax and Minority Interest	(13,666.4)	2,759.3	(16,425.7)	(20,731.8)	6,876.0	(27,607.8)
Minority Interest	0.0	0.0	0.0	0.0	0.0	0.0
Income before Tax	(13,666.4)	2,759.3	(16,425.7)	(20,731.8)	6,876.0	(27,607.8)
State Tax	0.0	0.0	0.0	(451.5)	(94.3)	(357.2)
Federal Tax	14.5	0.0	14.5	(4,031.5)	(407.1)	(3,624.3)
Net Income/(Loss) after Tax	(13,680.9)	2,759.3	(16,440.2)	(16,248.8)	7,377.4	(23,626.3)
Total Revenue (Sales + Earned Inc)	53,650.4	8,069.0	45,581.4	88,790.9	67,605.7	21,185.3
Loss Margin % Revenue	13.4 %	38.6 %	(25.2) %	20.3 %	36.0 %	(15.7) %
Contributed Value % Revenue	(15.5) %	51.0 %	(66.6) %	4.9 %	39.1 %	(34.2) %
Operating Expense % Revenue	(4) %	(15) %	11 %	(22) %	(27) %	5 %
Operating Margin % Revenue	(19.1) %	36.2 %	(55.2) %	(16.8) %	12.1 %	(28.9) %
Income Before Tax % Revenue	(25.5) %	34.2 %	(59.7) %	(23.3) %	10.2 %	(33.5) %
Net Income % Revenue	(25.5) %	34.2 %	(59.7) %	(18.3) %	10.9 %	(29.2) %